

**DARLENE GREEN**  
Comptroller



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



*Internal Audit Section*

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August 22, 2006

Patricia Hageman, City Counselor  
City Counselor's Office  
1200 Market Street, Room #314  
St. Louis, MO 63103

RE: Fiscal Monitoring Report of City Counselor's Office/Legal Services  
(Project #2006-CDA30)

Dear Ms. Hageman:

Enclosed is a report of our fiscal monitoring review of City Counselor's Office/Legal Services (Contracts 04-90-03 & 05-90-03) for the period January 1, 2004 through December 31, 2005. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of City Counselor's Office/Legal Services. Our fieldwork was substantially completed on June 23, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant sub recipients. If you have any questions, please contact Dwayne Crandall at 613-7257.

Sincerely,

  
Sedrick D. Blake, CPA  
Internal Audit Manager

Enclosure

cc: Honorable Darlene Green, Comptroller  
John Rataj, Acting Executive Director, Community Development Administration  
Lorna Alexander, Fiscal Coordinator, Community Development Administration



# CITY OF ST. LOUIS

***COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)***

***CITY COUNSELOR'S OFFICE  
LEGAL SERVICES SUPPORT PROGRAM  
CONTRACTS #04-90-03 AND #05-90-03***

***FISCAL MONITORING REVIEW***

***JANUARY 1, 2004 THROUGH DECEMBER 31, 2005***

***PROJECT #2006-CDA30***

***DATE ISSUED: AUGUST 22, 2006***

***Prepared by:  
The Internal Audit Section***



**OFFICE OF THE COMPTROLLER**  
***HONORABLE DARLENE GREEN, COMPTROLLER***

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
LEGAL SERVICES SUPPORT PROGRAM  
CONTRACT #04-90-03 & #05-90-03  
FISCAL MONITORING REVIEW  
JANUARY 1, 2004 THROUGH DECEMBER 31, 2005**

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**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
LEGAL SERVICES SUPPORT PROGRAM  
CONTRACTS: #04-90-03 & #05-90-03  
FISCAL MONITORING REVIEW  
JANUARY 1, 2004 THROUGH DECEMBER 31, 2005**

**INTRODUCTION**

**Background**

**Contract Name:** City Counselor's Office/Legal Services

**Contract Numbers:** 04-90-03  
05-90-03

**Contract Periods:** January 1, 2004 through December 31, 2004  
January 1, 2005 through December 31, 2005

**Contract Amounts:** \$260,000 (04-90-03)  
\$260,000 (05-90-03) Budget revision for \$234,195

Contracts 04-90-03 & 05-90-03 (Documents 44996 & 50316) provided Community Development Block Grant (CDBG) funds to City Counselor's Office/Legal Services to provide the legal support services necessary to successfully administer and implement the Community Development Block Grant and HOME.

**Purpose**

The purpose of our review was to determine the City Counselor's Office/Legal Services' compliance with federal, state and local CDBG requirements for the periods January 1, 2004 through December 31, 2005 and make recommendations for improvements.

**Scope and Methodology**

We made inquiries regarding the City Counselor's Office/Legal Services internal controls relating to the grant administered by the Community Development Administration (CDA), tested evidence supporting the reports the Agency submitted to CDA and performed other procedures considered necessary. Our fieldwork was substantially complete on June 23, 2006.

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FISCAL MONITORING REVIEW  
JANUARY 1, 2004 THROUGH DECEMBER 31, 2005**

**CONCLUSION AND SUMMARY OF CURRENT OBSERVATION**

**Conclusion**

We found evidence to suggest the City Counselor's Office/Legal Services did not fully comply with federal, state and local CDBG requirements.

**Status of Prior Observations**

The City Counselor's Office/Legal Services most recent Fiscal Monitoring Report, project 2004-CDA13, dated August 6, 2004 identified the following observation:

- Monthly financial reports were not submitted in a timely manner. **(Repeated)**

**A-133 Status**

The City Counselor's Office/Legal Services is a part of City government. Therefore, the Agency is covered under the City's A-133 audit.

**Summary of Current Observation**

We made a recommendation for the following observation, which if implemented, could assist the City Counselor's Office in fully complying with federal, state and local CDBG requirements.

- Monthly financial reports were not submitted in a timely manner.

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**DETAILED OBSERVATION, RECOMMENDATION**  
**AND MANAGEMENT'S RESPONSE**

**Monthly Financial Reports were not Submitted in a Timely Manner**

CDA regulations require the Agency to submit its monthly financial reports by the 10<sup>th</sup> day of the month following the report period end.

The Agency did not submit any monthly financial reports. IAS located the Agency's files for contracts #04-90-03 and #05-90-03 in Federal Grants Section and did not notice any monthly financial reports for either contracted year. The Agency was initially unclear as to who was responsible to perform the tasks to assure the Agency's paperwork was properly administered. Late submission of monthly reports may cause a delay or suspension in the processing of reimbursement requests.

**Recommendation**

We recommend the Agency comply with CDA regulations and submit monthly financial reports by the 10<sup>th</sup> day of the month following the report period end.

**Management's Response**

*On July 7, 2006, we provided the Agency with our observations and requested a response by July 17, 2006. However, as of the date of this report, the Agency has not responded.*